



**FALLBROOK PUBLIC UTILITY DISTRICT  
MEETING OF THE FISCAL POLICY AND INSURANCE COMMITTEE**

**AGENDA**

**MONDAY, AUGUST 15, 2022  
9:00 A.M.**

**FALLBROOK PUBLIC UTILITY DISTRICT  
990 E. MISSION RD., FALLBROOK, CA 92028  
PHONE: (760) 728-1125**

**THIS MEETING WILL BE HELD PURSUANT TO GOVERNMENT CODE SECTION 54953(e)(1)(A), WHICH WAIVES CERTAIN BROWN ACT TELECONFERENCING REQUIREMENTS DURING A PROCLAIMED STATE OF EMERGENCY WHEN STATE OR LOCAL OFFICIALS HAVE IMPOSED OR RECOMMENDED MEASURES TO PROMOTE SOCIAL DISTANCING, AND ALLOWS SOME OR ALL OF THE MEMBERS OF THE FISCAL POLICY & INSURANCE COMMITTEE TO ATTEND THIS MEETING TELEPHONICALLY OR VIA VIDEO CONFERENCE. MEMBERS OF THE PUBLIC WHO DO NOT WISH TO ATTEND IN PERSON ARE ENCOURAGED TO PARTICIPATE IN THE MEETING VIA WEB CONFERENCE USING THE BELOW CALL-IN AND WEBLINK INFORMATION. MEMBERS OF THE PUBLIC MAY ALSO PARTICIPATE IN THIS MEETING BY ATTENDING IN PERSON AT THE DISTRICT OFFICE LOCATED AT 990 E. MISSION RD., FALLBROOK, CA 92028.**

**Join Zoom Meeting**

**<https://us06web.zoom.us/j/81630542423?pwd=SmtLWlhDSFlnS0E0eDRRbURUaE5BZz09>**

**MEETING ID: 816 3054 2423**

**AUDIO PASSCODE: 963558**

**Dial by your location**

+1 346 248 7799 US (Houston); +1 720 707 2699 US (Denver); +1 253 215 8782 US (Tacoma);  
+1 312 626 6799 US (Chicago); +1 646 558 8656 US (New York); +1 301 715 8592 US (Washington DC)

**Find your local number: <https://us06web.zoom.us/u/kr9NXJpKp>**

**PUBLIC COMMENTS:** Members of the public may submit public comments and comments on agenda items in one of the following ways:

**SUBMIT COMMENTS BEFORE THE MEETING:**

- By emailing to our Board Secretary at [leckert@fpud.com](mailto:leckert@fpud.com)
- By mailing to the District Offices at 990 E. Mission Rd., Fallbrook, CA 92028
- By depositing them in the District's Payment Drop Box located at 990 E. Mission Rd., Fallbrook, CA 92028

All comments submitted before the meeting by whatever means must be received at least 1 hour in advance of the meeting. All comments will be read to the Board during the appropriate portion of the meeting. Please keep any written comments to 3 minutes.

**REMOTELY MAKE COMMENTS DURING THE MEETING:** The Board President will inquire prior to Board discussion if there are any comments from the public on each item.

- Via Zoom Webinar go to the "Participants List," hover over your name and click on "raise hand." This will notify the moderator that you wish to speak during oral communication or during a specific item on the agenda.
- Via phone, you can raise your hand by pressing \*9 to notify the moderator that you wish to speak during the current item.

**MAKE IN-PERSON COMMENTS DURING THE MEETING:** The Board President will inquire prior to Board discussion if there are any comments from the public on each item, at which time members of the public attending in person may make comments.

**THESE PUBLIC COMMENT PROCEDURES SUPERSEDE THE DISTRICT'S STANDARD PUBLIC COMMENT POLICIES AND PROCEDURES TO THE CONTRARY.**

*If you have a disability and need an accommodation to participate in the meeting, please call the Board Secretary at (760) 999-2704 for assistance.*

**I. PRELIMINARY FUNCTIONS**

CALL TO ORDER / ROLL CALL

PUBLIC COMMENT

**II. ACTION / DISCUSSION -----(ITEMS A-E)**

- A. RATE STUDY UPDATE
- B. CHANGES TO THE RECYCLED CAPITAL IMPROVEMENT PROJECTS BUDGET AND APPROPRIATIONS AMENDMENT
- C. WATER AND SEWER BILL FORMAT DISCUSSION
- D. DISCUSS THE TRANSFER OF FUNDS INTO INVESTMENT LONG-TERM RESERVES
- E. FISCAL YEAR 2021-2022 FINANCIAL SUMMARY REPORT

**III. ADJOURNMENT OF MEETING**

\* \* \* \* \*

**DECLARATION OF POSTING**

I, Lauren Eckert, Executive Assistant/Board Secretary of the Fallbrook Public Utility District, do hereby declare that I posted a copy of the foregoing agenda in the glass case at the entrance of the District Office located at 990 East Mission Road, Fallbrook, California, at least 72 hours prior to the meeting in accordance with Government Code § 54954.2.

I, Lauren Eckert, further declare under penalty of perjury and under the laws of the State of California that the foregoing is true and correct.

August 11, 2022 \_\_\_\_\_  
Dated / Fallbrook, CA

/s/ Lauren Eckert \_\_\_\_\_  
Executive Assistant/Board Secretary

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**M E M O**

**TO:** Fiscal Policy & Insurance Committee  
**FROM:** David Shank, Assistant General Manager/CFO  
**DATE:** August 15, 2022  
**SUBJECT:** Water and Sewer Bill Format Discussion

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Purpose

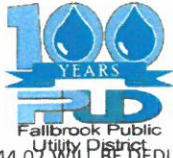
Discuss the content and layout of the District’s water and sewer bills.

Summary

With the updated 5-year financial plan well underway and changes being made to the District’s rate structure, now is a good time to review the District’s bill format. The objective is to make the bill simple to understand. A copy of example bills are attached. The bills show the current format and content to facilitate the discussion.

Recommended Action

This item is for discussion only. No action is required.



CUSTOMERS ARE RESPONSIBLE FOR WATER PIPE BREAKS ON THEIR PROPERTY

\$4,244.02 WILL BE DEDUCTED FROM YOUR BANK ACC ON 08/17/2022

MESSAGE CENTER

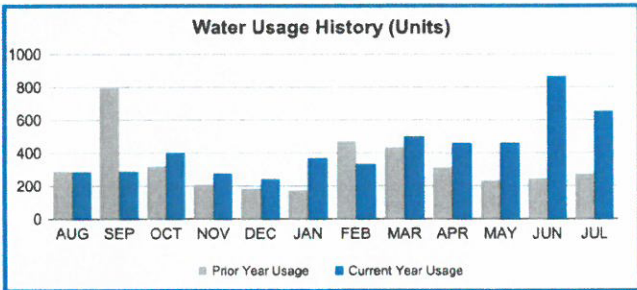
<b>Name:</b>	
[REDACTED]	
<b>Service Address:</b>	
[REDACTED]	
<b>Due Date:</b>	<b>Amount Due:</b>
8/20/2022	\$4,244.02

SEE REVERSE FOR IMPORTANT BILLING INFORMATION

CURRENT CHARGES DETAIL

Account Number	Class	Meter Serial #	Meter Readings Current	Meter Readings Previous	Total Units	Service Period	Meter Read Dates
[REDACTED]	R	08912607	39709	39055	654	7/7/2022 - 8/4/2022	Prev: 6/30/2022 - Curr: 7/29/2022

PREVIOUS BALANCE	\$5,537.45
PAYMENTS/CR -THANK YOU	\$5,537.45
BALANCE FORWARD	\$0.00
<b>WATER USAGE = 654 Units</b>	
654 Units @ Tier 1	\$4,009.02
TOTAL WATER USAGE CHARGE	\$4,009.02
WATER MONTHLY FIXED CHARGE	\$235.00
<b>TOTAL CURRENT CHARGE</b>	<b>\$4,244.02</b>
<b>TOTAL DUE</b>	<b>\$4,244.02</b>



Current Usage this month (Unit = 1000 gallons): 654  
 Usage last month (Unit = 1000 gallons): 865

\$4,244.02 WILL BE DEDUCTED FROM YOUR BANK ACC ON 08/17/2022

Please detach and return bottom portion with your payment.

<b>Due Date:</b>	<b>Amount Due:</b>
8/20/2022	\$4,244.02
<b>Account Number</b>	<b>Service Period</b>
[REDACTED]	7/7/2022 - 8/4/2022
<b>Meter Serial Number</b>	<b>Enter Amount Enclosed:</b>
08912607	**AUTO PAY**

**MAKE CHECKS PAYABLE TO:**

FALLBROOK PUBLIC UTILITY DISTRICT  
 990 E. MISSION RD. FALLBROOK, CA 92028  
 Office Hours: Monday-Friday, 8:00am to 4:30pm  
 Phone: (760) 728-1125 (24 Hrs) Website: www.fpud.com

**Billing Payment Options**

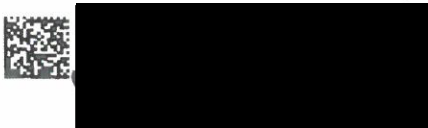
Walk-in: 990 E. Mission Rd. Fallbrook, CA 92028  
 Online: www.onlinebiller.com/fpud By Phone: (877) 281-3434

PayNearMe: **7-ELEVEN** **CVS pharmacy**  
 Make a cash payment at participating locations. See reverse for details.

Check here for change of address or phone number. Enter changes on the reverse side.

**NAME:**

FBS0804A  
 9000000753 00.0000.0753 753/1



FALLBROOK PUBLIC UTILITY DISTRICT  
 990 E MISSION RD  
 FALLBROOK, CA 92028-2232

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CUSTOMERS ARE RESPONSIBLE FOR WATER PIPE BREAKS ON THEIR PROPERTY

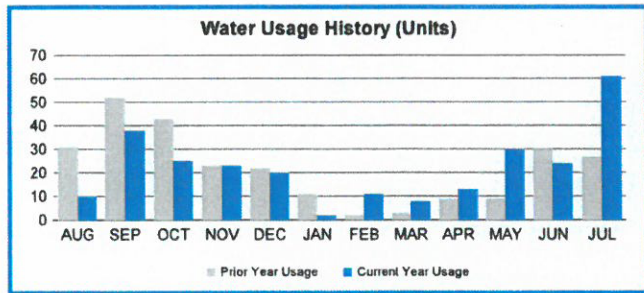
MESSAGE CENTER

<b>Name:</b>	
[REDACTED]	
<b>Service Address:</b>	
[REDACTED]	
<b>Due Date:</b>	<b>Amount Due:</b>
8/20/2022	\$665.94

SEE REVERSE FOR IMPORTANT BILLING INFORMATION

CURRENT CHARGES DETAIL

Account Number	Class	Meter Serial #	Meter Readings Current	Meter Readings Previous	Total Units	Service Period	Meter Read Dates
[REDACTED]	CB	16428003	1461	1400	61	7/7/2022 - 8/4/2022	Prev: 6/19/2022 - Curr: 7/18/2022



Current Usage this month (Unit = 1000 gallons): 61  
 Usage last month (Unit = 1000 gallons): 24

PREVIOUS BALANCE	\$402.16
PAYMENTS/CR -THANK YOU	\$402.16
BALANCE FORWARD	\$0.00
<b>WATER USAGE = 61 Units</b>	
5 Units @ Tier 1	\$35.85
56 Units @ Tier 2	\$344.40
<b>TOTAL WATER USAGE CHARGE</b>	<b>\$380.25</b>
WATER CAPITAL IMPROVE CHRG	\$33.66
WATER MONTHLY FIXED CHARGE	\$159.73
BACKFLOW	\$13.50
PUMPING CHARGE	\$59.78
<b>CHRGs LEVIED BY OTHERS</b>	
MWD RTS CHARGE	\$5.69
CWA CHARGE	\$13.33
<b>TOTAL CURRENT CHARGE</b>	<b>\$665.94</b>
<b>TOTAL DUE</b>	<b>\$665.94</b>

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 Phone: (760) 728-1125 (24 Hrs) Website: www.fpud.com

Billing Payment Options

Walk-in: 990 E. Mission Rd. Fallbrook, CA 92028  
 Online: www.onlinebiller.com/fpud By Phone: (877) 281-3434

PayNearMe: 7-ELEVEN. CVS pharmacy

Make a cash payment at participating locations. See reverse for details.

Check here for change of address or phone number. Enter changes on the reverse side.

NAME:

FBS0804A 1890 1 AV 0.455  
 7000001976 00.0007.0385 1890/1



Please detach and return bottom portion with your payment.

<b>Due Date:</b>	<b>Amount Due:</b>
8/20/2022	\$665.94
<b>Account Number</b>	<b>Service Period</b>
[REDACTED]	7/7/2022 - 8/4/2022
<b>Meter Serial Number</b>	<b>Enter Amount Enclosed:</b>
16428003	

REMIT TO:



FALLBROOK PUBLIC UTILITY DISTRICT  
 990 E MISSION RD  
 FALLBROOK, CA 92028-2232

0141850000006659400066594



CUSTOMERS ARE RESPONSIBLE FOR WATER PIPE BREAKS ON THEIR PROPERTY

MESSAGE CENTER

Our annual Water Quality Report, or "Consumer Confidence Report," contains detailed information on water quality sampling performed in 2021. This ensures that water meets or exceeds regulatory standards. Our water meets or exceeds all state and federal requirements. The current report is available at [www.fpud.com/news-publications](http://www.fpud.com/news-publications). If you would like a paper copy, or to speak with someone about the report, call Noelle Denke at (760) 728-1125. Este reporte contiene las instrucciones más recientes para obtener información importante sobre su agua potable. Traducir, o hablar con alguien que lo entienda.

Name: [REDACTED]

Service Address: [REDACTED]

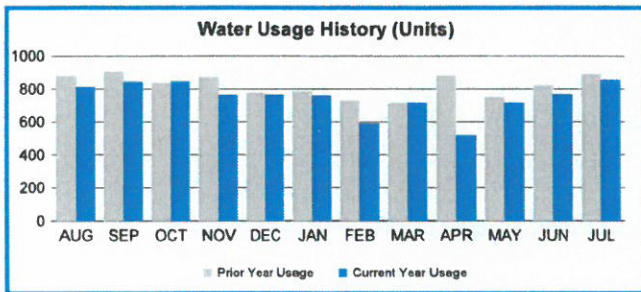
Due Date: 8/10/2022 Amount Due: \$17,191.72

SEE REVERSE FOR IMPORTANT BILLING INFORMATION

CURRENT CHARGES DETAIL

Account Number	Class	Meter Serial #	Meter Readings		Total Units
			Current	Previous	
[REDACTED]	M	210524544	2867	2009	858

Service Period	6/24/2022 - 7/19/2022
Meter Read Dates	Prev: 6/8/2022 - Curr: 7/10/2022
PREVIOUS BALANCE	\$16,537.67
PAYMENTS/CR -THANK YOU	\$16,537.67
BALANCE FORWARD	\$0.00
<b>WATER USAGE = 858 Units</b>	
740 Units @ Tier 1	\$5,305.80
118 Units @ Tier 2	\$857.86
TOTAL WATER USAGE CHARGE	\$6,163.66
WATER CAPITAL IMPROVE CHRG	\$336.50
WATER MONTHLY FIXED CHARGE	\$1,490.84
BACKFLOW	\$101.09
<b>WASTEWATER CHARGES</b>	
WASTEWATER FLOW	\$6,268.86
WASTEWATER MONTHLY FIXED CHARGE	\$1,285.28
WASTEWATER CAPITAL IMPROVE CHRG	\$1,354.88
<b>CHRGs LEVIED BY OTHERS</b>	
MWD RTS CHARGE	\$57.08
CWA CHARGE	\$133.53
<b>TOTAL CURRENT CHARGE</b>	<b>\$17,191.72</b>
<b>TOTAL DUE</b>	<b>\$17,191.72</b>



Current Usage this month (Unit = 1000 gallons): 858  
 Usage last month (Unit = 1000 gallons): 768

MAKE CHECKS PAYABLE TO:



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Billing Payment Options

Walk-in: 990 E. Mission Rd. Fallbrook, CA 92028  
 Online: [www.onlinebiller.com/fpud](http://www.onlinebiller.com/fpud) By Phone: (877) 281-3434

PayNearMe: **7-ELEVEN** **CVS pharmacy**

Make a cash payment at participating locations. See reverse for details.

Check here for change of address or phone number. Enter changes on the reverse side.

NAME:

FBS0719A 6 1 AB 0.491  
 7000000006 00.0001.0006 6/1



Please detach and return bottom portion with your payment.

Due Date:	Amount Due:
8/10/2022	\$17,191.72
Account Number	Service Period
[REDACTED]	6/24/2022 - 7/19/2022
Meter Serial Number	Enter Amount Enclosed:
210524544	

REMIT TO:



FALLBROOK PUBLIC UTILITY DISTRICT  
 990 E MISSION RD  
 FALLBROOK, CA 92028-2232

0104670000171917201719172



## M E M O

**TO:** Fiscal Policy & Insurance Committee  
**FROM:** David Shank, Assistant General Manager/CFO  
**DATE:** August 15, 2022  
**SUBJECT:** Discuss the Transfer of Funds into Investment Long-Term Reserves

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Purpose

With the Santa Margarita Conjunctive Use Project (SMCUP) completed, funds used to provide temporary project funding can now be invested to optimize the District's investment returns.

Summary

Although the SMCUP is funded by a State loan, the reimbursement of project expenses by the State was extremely slow. This often resulted in payment being due before State funds were provided. To address this, the Board authorized staff to transfer \$4.169 million of the District's Long-Term Reserves into LAIF, which like a savings account allowed easy access to funds. The LAIF account was then used to fund contractor payments when due if State funds had not yet been received. When State reimbursement was received, the funds were deposited into the LAIF account. Without this funding vehicle, the District would have had major issues keeping the project going and on schedule. The table below shows the initial transfer from Long-Term Reserves to LAIF and tracks investment earnings and the amount currently available to transfer back to Long-Term Reserves.

<b>Initial Transfer From Reserves to LAIF</b>	\$ 4,169,000.00
<b>LAIF Interest -FY 20</b>	\$ 1,617.02
<b>LAIF Interest -FY 21</b>	\$ 24,227.45
<b>LAIF Interest FY 22</b>	\$ 8,006.08
<b>Total</b>	<b>\$ 4,202,850.55</b>
<b>LAIF Balance 7/31/22</b>	<b>\$ 3,233,850.55</b>
Remaining Amount for State Reimbursement	\$ 969,000.00

With the project completed and \$3.2 million available for transfer, staff will transfer these funds back into the District's Long-Term Reserves, which are actively managed by the District's investment manager. These funds will be invested in accordance with the District's investment policy. Staff expects to execute the transfer early next week.

Recommended Action

This item is for discussion only. No action is required.

## M E M O

**TO:** Fiscal Policy & Insurance Committee  
**FROM:** David Shank, Assistant General Manager/CFO  
**DATE:** August 15, 2022  
**SUBJECT:** Fiscal Year 2021-2022 Financial Summary Report

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Purpose

Provide the annual summary of the District's financial performance.

Summary

Total revenues are over budget by 0.6%. Water sales ended 6.9% below budget with revenues 6.6% under budget due to lower than budgeted water demands. Wastewater revenues ended slightly under budget with Recycled slightly over budget. Total Operating Revenues was 4.2% under budget.

Non-operating revenues were over budget driven by the refund checks issued by the San Diego County Water Authority (SDCWA) and the grant funds from the State Arrearages Programs. These one-time funds are pushing the District's non-operating revenues to 30.1% higher than budget levels, while the recurring revenues are in line with the Budget. Operating and Non-Operating combined put the District at just over Budget for the year.

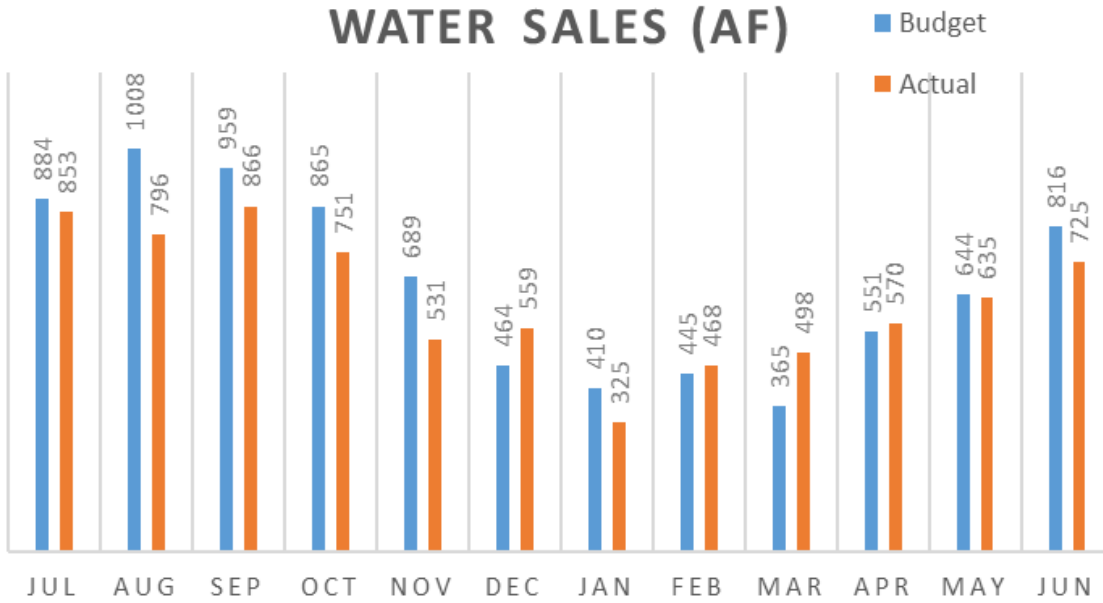
The District's year-to-date total expenditures are 1.5% over budget due to the higher than budgeted water purchases expenses. Water operating expenses are under budget due to the lower than budgeted production at the Santa Margarita Groundwater Treatment Plant (SMGTP), which required the purchase of more expensive SDCWA supplies. These two factors work to offset each other to some extent. Wastewater, recycled and administrative services combined were slightly under budget for the year.

Total revenue was \$40,125,153 or 0.6% over budget and total expenditures are \$31,853,104 or 1.5% over budget. PAYGO CIP expenditures are 19.5% under budget and, based upon Board direction, \$1.7 million of SDCWA refund funds were used to fund the SMGTP project. Adjusting for expected State Loan proceeds, the District's financial results are slightly under Budget levels.

Recommended Action

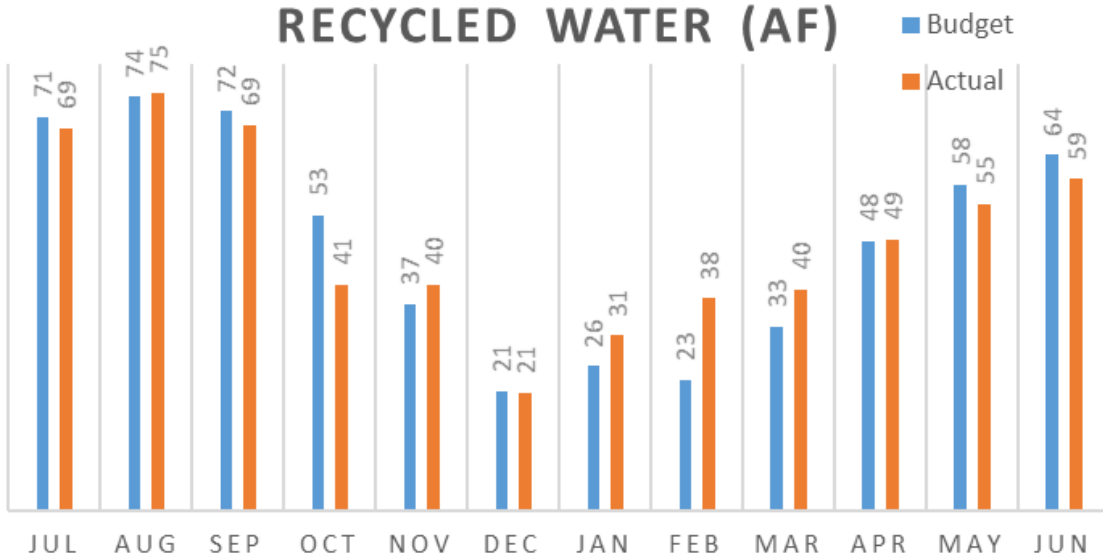
This item is for discussion only. No action is required.

## WATER SALES (AF)



**Year-to-Date Actual 7,577 AF Year-to-Date Budget 8,100 AF**

## RECYCLED WATER (AF)



**Year-to-Date Actual 586 AF Year-to-Date Budget 580 AF**

\*Includes Adjusted Figures for July through March

# Monthly Budget Report for June

Favorable Variance Shown as a positive number

	Current Month		Year-To-Date			
	Actual	Budget	Actual	Budget	Variance	%
<b>Operating Revenues:</b>						
Water Sales	1,707,255	1,973,705	17,454,571	18,695,785	(1,241,214)	-6.6%
Water Meter Service Charges	690,085	692,367	7,906,306	8,000,687	(94,381)	-1.2%
Wastewater Service Charges	595,663	508,783	6,323,887	6,469,183	(145,296)	-2.2%
Recycled Water Revenues	186,942	133,501	1,227,350	1,175,173	52,177	4.4%
Other Operating Revenue	-	917	-	11,000	(11,000)	-100.0%
Total Operating Revenue	3,179,945	3,309,272	32,912,114	34,351,829	(1,439,715)	-4.2%
<b>Non Operating Revenues:</b>						
Water Capital Improvement Charge	125,947	120,280	1,457,378	1,443,359	14,019	1.0%
Wastewater Capital Improvement Charge	99,388	98,390	1,179,305	1,180,678	(1,373)	-0.1%
Property Taxes	58,862	37,357	2,385,025	2,122,467	262,558	12.4%
Water Standby/Availability Charge	11,558	10,172	202,234	204,000	(1,767)	-0.9%
Water/Wastewater Capacity Charges	16,962	7,183	193,201	86,200	107,001	124.1%
Portfolio Interest	8,318	10,304	224,458	123,651	100,807	81.5%
Pumping Capital Improvement Charge	1,304	2,730	13,519	32,756	(19,237)	-58.7%
Federal Interest Rate Subsidy	47,948	-	99,240	97,977	1,263	1.3%
Gain on Sale of Asset	36,543	-	36,543	-	36,543	NA
SDCWA Refund/Covid Relief Grant*	208,756	-	1,024,161	-	1,024,161	NA
Facility Rents	10,395	18,750	250,349	225,000	25,349	11.3%
Fire Hydrant Service Fees	-	-	18,313	-	18,313	NA
Other Non-Operating Revenues	23,726	2,500	129,314	30,000	99,314	331.0%
Total Non Operating Revenues	649,707	307,666	7,213,039	5,546,087	1,666,952	30.1%
<b>Total Revenues</b>	<b>3,829,652</b>	<b>3,616,939</b>	<b>40,125,153</b>	<b>39,897,916</b>	<b>227,237</b>	<b>0.6%</b>
<b>Expenditures</b>						
Purchased Water Expense	858,034	1,032,007	12,922,384	11,547,729	(1,374,656)	-11.9%
Water Services**	465,588	473,550	4,474,411	5,355,939	881,528	16.5%
Wastewater Services**	309,065	267,037	3,503,946	3,471,475	(32,471)	-0.9%
Recycled Water Services**	74,533	40,554	463,732	527,202	63,470	12.0%
Administrative Services**	700,130	531,066	6,867,512	6,903,859	36,347	0.5%
Total Operating Expenses	2,407,349	2,344,214	28,231,987	27,806,204	(425,783)	-1.5%
<b>Debt Service Expenses</b>						
SMCUP SRF	-	-	974,071	1,038,424	64,353	6.2%
Red Mountain SRF	-	-	395,851	395,851	-	0.0%
WW Rev Refunding Bonds	-	-	1,729,884	1,729,884	-	0.0%
QECB Solar Debt	-	-	521,312	521,312	-	0.0%
Total Debt Service	-	-	3,621,118	3,685,471	64,353	1.7%
Total Expenses	2,407,349	2,344,214	31,853,104	31,491,674	(361,430)	-1.1%
<b>Net Revenue/(loss) From Operations and Debt Service</b>	<b>1,422,303</b>	<b>1,272,725</b>	<b>8,272,049</b>	<b>8,406,242</b>	<b>(134,192)</b>	<b>-1.6%</b>
<b>Capital Investment</b>						
<b>Capital Investment</b>						
Construction Expenditures-PAYGO TOTAL	1,882,332	644,409	5,869,464	7,288,000	1,418,536	19.5%
SMCUP Expenditures***	126,165	-	7,108,648	8,450,000	1,341,352	15.9%
SRF Loan Proceeds Draw (Capital Project Funds)****	(126,165)	-	(5,359,837)	(8,450,000)	(3,090,163)	36.6%
<b>Net Revenue/(Loss)</b>	<b>(460,029)</b>	<b>628,315</b>	<b>653,774</b>	<b>1,118,242</b>	<b>(464,468)</b>	<b>-41.5%</b>

\*Includes SDCWA Refund of \$839,398.17, California Water Arrearage Payment Program grant of \$151,343.14 and California Wastewater Arrearage Payment Program grant of \$33,419.30

\*\*Includes share of \$500,000 PARS transfer.

\*\*\*CIP expenditures related to the SMRCUP have been updated based upon contractor draw scheduled and are funded by SRF Loan proceeds and \$1,748,810.84 refund from SDCWA.

\*\*\*\*YTD Actual amount adjusted to reflect expected State Reimbursement for reporting purposes.